



**Auditor of State  
Betty Montgomery**



WILLIAMS COUNTY PUBLIC LIBRARY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Williams County Public Library  
107 East High Street  
Bryan, Ohio 43506-1702

To the Board of Trustees:

We have audited the accompanying financial statements of the Williams County Public Library (the Library) as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Library prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Library as of December 31, 2003 and 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2004 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

April 13, 2004

**WILLIAMS COUNTY PUBLIC LIBRARY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
<b>Cash Receipts</b>					
Other Government Grants-In-Aid	\$ 1,181,495				\$ 1,181,495
Patron Fines and Fees	35,580				35,580
Earnings on Investments	4,969				4,969
Contributions, Gifts and Donations	8,508	\$ 80	\$ 939		9,527
Miscellaneous Receipts	5,162				5,162
<b>Total Cash Receipts</b>	<b>1,235,714</b>	<b>80</b>	<b>939</b>		<b>1,236,733</b>
<b>Cash Disbursements</b>					
Current:					
Salaries and Benefits	925,986				925,986
Purchased and Contracted Services	155,995	44	5,953		161,992
Supplies	24,759				24,759
Library Materials and Information	140,920				140,920
Other Objects	7,691				7,691
Capital Outlay	29,111				29,111
<b>Total Cash Disbursements</b>	<b>1,284,462</b>	<b>44</b>	<b>5,953</b>		<b>1,290,459</b>
Total Cash Receipts Over/ (Under) Cash Disbursements	(48,748)	36	(5,014)		(53,726)
Fund Cash Balances, January 1	153,077	927	233,497	\$ 220	387,721
<b>Fund Cash Balances, December 31</b>	<b>\$ 104,329</b>	<b>\$ 963</b>	<b>\$ 228,483</b>	<b>\$ 220</b>	<b>\$ 333,995</b>
Reserves for Encumbrances, December 31	\$ 102,233		\$ 4,047		\$ 106,280

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**WILLIAMS COUNTY PUBLIC LIBRARY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
<b>Cash Receipts</b>					
Other Government Grants-In-Aid	\$ 1,194,318				\$ 1,194,318
Patron Fines and Fees	38,210				38,210
Earnings on Investments	9,357				9,357
Contributions, Gifts and Donations	10,802	\$ 50	\$ 1,867		12,719
Miscellaneous Receipts	10,194	62			10,256
<b>Total Cash Receipts</b>	<b>1,262,881</b>	<b>112</b>	<b>1,867</b>		<b>1,264,860</b>
<b>Cash Disbursements</b>					
Current:					
Salaries and Benefits	935,652				935,652
Purchased and Contracted Services	189,657	42			189,699
Supplies	41,593				41,593
Library Materials and Information	183,967				183,967
Other Objects	10,227				10,227
Capital Outlay	67,200				67,200
<b>Total Cash Disbursements</b>	<b>1,428,296</b>	<b>42</b>			<b>1,428,338</b>
Total Cash Receipts Over/ (Under) Cash Disbursements	(165,415)	70	1,867		(163,478)
Fund Cash Balances, January 1	318,492	857	231,630	\$ 220	551,199
<b>Fund Cash Balances, December 31</b>	<b>\$ 153,077</b>	<b>\$ 927</b>	<b>\$ 233,497</b>	<b>\$ 220</b>	<b>\$ 387,721</b>
Reserves for Encumbrances, December 31	\$ 70,013				\$ 70,013

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT



# WILLIAMS COUNTY PUBLIC LIBRARY

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2003 AND 2002

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Description of the Entity

Williams County Public Library (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of Ohio. The Library is directed by a seven-member Board of Trustees. Three of the Trustees are appointed by the Williams County Common Pleas Judge. The remaining four Trustees are appointed by the Williams County Board of Commissioners. The Library provides the community with various educational and literary resources.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

#### B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

#### C. Cash and Investments

Certificates of deposit are valued at cost. The limited partnership interest is valued at its fair value on the date received. The investment in Star Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

#### D. Fund Accounting

The Library uses fund accounting to segregate cash and investments that are restricted as to use. The Library classifies its funds into the following types:

# WILLIAMS COUNTY PUBLIC LIBRARY

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003 AND 2002

(Continued)

### 1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

### 2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Library had the following significant Special Revenue Fund:

Photographic Archives Fund – This fund accounts for monies collected from patrons for purchases of historic photographs and reprints. The funds collected are disbursed to an outside vendor who does the reprint work.

### 3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Library had the following significant capital project fund:

Capital Improvements Fund – This fund is maintained for future equipment and material purchases and future building repairs.

### 4. Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Library to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Library is acting in an agency capacity are classified as agency funds. The Library had the following significant fiduciary fund:

Carlyle Donated Stock Fund – This fund accounts for the proceeds from the sale of stock which was donated to the Library. The proceeds were used to purchase books.

**WILLIAMS COUNTY PUBLIC LIBRARY**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003 AND 2002

(Continued)

**E. Budgetary Process**

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Library uses.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Library maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	<u>2003</u>	<u>2002</u>
Demand deposits	\$37,250	\$23,485
Certificates of deposit	100,000	100,000
Total deposits	<u>137,250</u>	<u>123,485</u>
STAR Ohio	196,225	263,716
Limited Partnership Interest	220	220
Total investments	196,445	263,936
Cash on Hand	<u>300</u>	<u>300</u>
Total deposits and investments	<u><u>\$333,995</u></u>	<u><u>\$387,721</u></u>

**WILLIAMS COUNTY PUBLIC LIBRARY**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003 AND 2002

(Continued)

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Library.

**Investments:** The limited partnership interest was given to the Library as a gift. Investments in STAR Ohio are not evidenced by securities that exist in physical or book entry form.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,399,534	\$ 1,386,695	\$ 12,839
Special Revenue	100	44	56
Capital Projects	55,000	10,000	45,000
Total	<u>\$ 1,454,634</u>	<u>\$ 1,396,739</u>	<u>\$ 57,895</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,407,269	\$ 1,498,309	\$ (91,040)
Special Revenue	1,032	42	990
Capital Projects	232,830		232,830
Total	<u>\$ 1,641,131</u>	<u>\$ 1,498,351</u>	<u>\$ 142,780</u>

**4. GRANTS-IN-AID**

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The LLGSF is allocated to each county based on the county's prior intangibles tax of LLGSF revenues, and its population. The County Budget Commission allocates these funds to the Library based on its needs such as for the construction of new library buildings, improvements, operation, maintenance, or other

**WILLIAMS COUNTY PUBLIC LIBRARY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

expenses. The Budget Commission cannot reduce its allocation of these funds to the Library based on any additional revenues the Library receives.

**5. DEBT**

Debt outstanding at December 31, 2003 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Secured Note	<u>\$ 26,901</u>	0%

The secured note was issued to finance the purchase of a new van to be used for Library travel.

Amortization of the above debt, including interest, is scheduled as follows:

<u>Year ending December 31:</u>	<u>Secured Note</u>
2004	\$ 8,967
2005	1,495
Total	<u>\$ 10,462</u>

**6. RETIREMENT SYSTEM**

The Ohio Public Employees Retirement System (OPERS) is a state operated, cost-sharing, multiple employer public employee retirement system. OPERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. OPERS also provides survivor and disability benefits to vested employees.

Contribution rates are prescribed by the Ohio Revised Code. The Library's OPERS members contributed 8.5 percent of their gross salaries. The Library contributed an amount equal to 13.55 percent of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. OPERS temporarily reduced the employer contribution rate to 8.13 percent, effective July 1, 2000 through December 31, 2000. The Library has paid all contributions required through December 31, 2003.

**WILLIAMS COUNTY PUBLIC LIBRARY**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2003 AND 2002**

(Continued)

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

- Property.
- General liability.
- Crime.
- Glass and sign.
- Business auto.

The Library also provides health insurance coverage to full-time employees through a private carrier.



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Williams County Public Library  
107 East High Street  
Bryan, Ohio 43506-1702

To the Board of Trustees:

We have audited the accompanying financial statements of the Williams County Public Library (the Library) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated April 13, 2004. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control over Financial Reporting**

In planning and performing our audits, we considered the Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not

necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Library in a separate letter dated April 13, 2004.

This report is intended solely for the information and use of the audit committee, management, and Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

April 13, 2004





**Auditor of State  
Betty Montgomery**

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**WILLIAMS COUNTY PUBLIC LIBRARY**

**WILLIAMS COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 11, 2004**